

those assertions in its January 15, 1997 response to Brooks Fiber, which Ameritech Michigan incorporates herein by reference. The remaining items are not well taken.

Brooks Fiber now claims that it is submitting a "partial listing" of alleged problems, that "this is by no means an exhaustive list," and that it describes a "representative sampling" of incidents. This material had not been provided to Ameritech Michigan before Brooks Fiber's filing. With regard to its allegations of unfair competition, Brooks Fiber claims to have received "many reports," and that Ameritech employees "frequently" make disparaging statements -- however, there are only three reports attached which relate to alleged unfair competitive activity. Brooks Fiber also does not identify what legal standard Ameritech Michigan has purportedly violated in its allegedly unfair competitive activity. There is no specific allegation that Ameritech's conduct violates any provision of the Michigan Telecommunications Act or the federal Act or the approved interconnection agreement.

As was pointed out in Ameritech Michigan's initial response to Brooks Fiber filed on January 15, 1997, the interconnection agreement between the parties contains a dispute resolution process which is expressly designed for resolving the type of operational issues asserted by Brooks Fiber. None of these issues have been brought to Ameritech Michigan's attention through the process described in the parties' interconnection agreement.

Moreover, the Michigan Telecommunications Act authorizes the filing of a complaint by Brooks Fiber if Ameritech Michigan has violated any provision of the Michigan Telecommunications Act or any Commission order.

The Ameritech Information Industry Services (AIIS) account manager responsible for Brooks Fiber has been in contact with Brooks Fiber regarding these matters since its filing was made. Attached is a letter to Brooks Fiber dated January 30, 1997. Ameritech Michigan will continue to make every effort to work

with Brooks Fiber to resolve any and all operational and technical issues or concerns raised by Brooks Fiber.

Brooks Fiber also attached to its latest filing a number of reports generated on a standard form entitled "Ameritech Incident Report." This information was provided to Ameritech Michigan for the first time in this proceeding, rather than via the dispute resolution process in the interconnection agreement between the parties. Ameritech Michigan has requested unredacted copies of these incident reports, which Brooks Fiber has agreed to provide. Once this information is received, Ameritech Michigan can fully investigate and take appropriate action in response. Ameritech Michigan will share the results of its investigations and specific responses with Brooks Fiber, and will continue to do so on an ongoing basis as any other incidents arise in a continuing effort to improve its service to Brooks Fiber as a valued customer.

Subject to the foregoing, Ameritech Michigan submits the following information regarding the issues in Brooks Fiber's January 17, 1997 letter.

1. "Unfair Competition"

Brooks Fiber and Ameritech Michigan are engaged in competition for local exchange customers in western Michigan. As part of that competition, Ameritech Michigan's retail units seek to convince existing customers to stay with Ameritech Michigan and customers who have decided to take service from Brooks Fiber to return to Ameritech Michigan. A competitive market functions in just this way. However, Ameritech Michigan has not engaged in any unlawful activity, and the competition between the two companies is not in any sense "unfair," as alleged by Brooks Fiber.

Ameritech's retail units have formed a "winback" group to address competition for their customers. This group was not formed to specifically target

Brooks Fiber's customers. It was formed to address competition overall. This group is not part of the AIIS customer service unit which services the Brooks Fiber account. Nor is any customer information shared between the AIIS customer service unit and the "winback" group.

Ameritech Michigan shares Brooks Fiber's concerns regarding any unprofessional conduct of Ameritech Michigan employees. It is not acceptable conduct for an employee to disparage the service of any carrier. Ameritech Michigan is interested in any specific situations and is prepared to take appropriate action with such employees. In addition, as described in Ameritech Michigan's filing of January 15, 1997, at page 12, Ameritech Michigan has taken several measures to ensure its technicians understand the current competitive environment and appropriate behavior in interacting with competitors' customers.

All requests for Customer Service Records (CSRs) by Brooks Fiber should be made through the AIIS Service Center in Milwaukee. Ameritech service representatives there are trained on the proper handling of CSR requests. These employees are bound by a code of conduct which they must sign which prevents them from disclosing customer proprietary information. Instances of employees passing on CSR information, as Brooks Fiber suggests, would be in violation of this code and would warrant disciplinary action, up to and including dismissal. However, there are many instances where customers who are considering or have ordered Brooks Fiber service may have direct contact with Ameritech Michigan's retail units. It is in these instances that "winback" activity may occur. This activity is the essence of competition.

Ameritech Michigan provides directory assistance to Brooks Fiber customers and will continue to do so. Any Ameritech Michigan employee who has indicated that a Brooks Fiber customer would be dropped from directory assistance

has provided that customer with misinformation and would be subject to disciplinary action.

2. "Tying Arrangements"

Brooks Fiber's allegations regarding existing customer contracts were addressed in Ameritech Michigan's January 15, 1997 filing at pages 4-5. Again, it appears that Brooks Fiber's intention is to reassert their demand for abrogation of existing, valid customer contracts.

3. "Discriminatory Treatment"

Ameritech Michigan does not discriminate in providing Brooks Fiber service. Ameritech Michigan provides Brooks Fiber with loops in accordance with standard intervals where no dispatch is required. Where outside dispatch is required, orders are given intervals based on force/load volumes. The force/load system is a shared resource across all Ameritech Michigan orders and does not discriminate based on type of customer. In cases where the due date is negotiated or is considered a "project," Ameritech Michigan attempts to meet the customer's request. If this cannot be done, Ameritech Michigan will install the service as soon as possible after the requested due date, subject to force/load considerations and the status of the loop (new or reused).

In some instances, it may become necessary to redeploy technicians from installation work to address maintenance cases. Maintenance work receives priority status over new installations. However, technicians are redeployed to address maintenance cases across the entire Ameritech Michigan customer base. Technicians are not reassigned from customer installations to perform work exclusively for Ameritech Michigan retail customers. Redeploying technicians is

only a short term measure which is used to address extreme maintenance cases caused by severe weather or other *force majeure* situations.

The issue raised by Brooks Fiber concerning the network interface device (NID) was addressed in Ameritech Michigan's January 15, 1997 filing at pages 2-4.

4. "Failure To Provide Reliable Operations Support Systems (OSS)"

Ameritech Michigan's January 15, 1997 filing addressed OSS issues at pages 5-7. Without specific purchase order numbers, Ameritech cannot investigate the circumstances surrounding the 90 firm order commitments (FOCs) which Brooks Fiber claims it failed to receive. However, Ameritech Michigan does have current data which indicates that Ameritech Michigan is creating files containing FOCs, and Brooks Fiber is electronically retrieving them in a timely manner. Examples of the data are attached.

5. "Failure To Provide Billing In Electronic Format"

Ameritech Michigan continues to work with Brooks Fiber in response to their recent requests to receive billing in an electronic format. This issue was addressed at page 7 of Ameritech Michigan's January 15, 1997 filing. AIIS account manager Eric Larsen contacted Mr. John Jennings (see attached letter) on January 15, 1997, detailing several critical issues that needed to be resolved by Brooks Fiber before Ameritech Michigan could proceed with providing electronic billing. In an attempt to move the issue to closure, AIIS' account manager contacted Mr. Jennings of Brooks Fiber on January 17, 1997 to resolve the open items. Per Mr. Jennings' request, the effort to move to an electronic billing format has been postponed while Ameritech assists Brooks Fiber in determining the affected billing

account numbers. Ameritech Michigan and Brooks Fiber personnel continue to work this issue.

It should be recognized, however, that Ameritech Michigan does offer an electronic interface – CABS – for billing unbundled network elements, including unbundled loops. Ameritech Michigan has used the CABS system since shortly after divestiture to bill IXCs for carrier access charges and since April 1995 to bill requesting carriers for unbundled loops. Carriers have three options for receiving their bills from the CABS OSS interface. The electronic interface will generate a written bill, and Ameritech Michigan will mail the bill to the carrier. The electronic interface also will create a magnetic tape of the bill, and Ameritech Michigan will mail the tape to the carrier. Finally, the electronic interface will create the bill and transfer it electronically to the carrier. All three options are currently in use. Regardless of which format the carrier selects to receive its bill for unbundled network elements, the same electronic interface is used to create the bill.

6. "Poor Coordination Of Customer Cutovers"

This issue was addressed at pages 9-10 of Ameritech Michigan's January 15, 1997 filing. In addition, Messrs. Dunny, Mickens, and Mayer describe in detail the processes that have been initiated for operational implementation in their affidavits previously submitted herein.

Ameritech Michigan recognizes that in some cases, scheduling of cutovers or installations may not meet a specific customer's needs. However, Ameritech Michigan is required to manage resources for the overall parity treatment of its entire customer base.

Ameritech Michigan will address with Brooks Fiber any specific instances when service has been cutover prior to the scheduled time, cutovers are

not begun at the scheduled time, inaccurate information has been provided, improper installations are performed, or any lack of cooperation is exhibited.

7. "Missed Installation Dates"

Ameritech Michigan endeavors to meet every installation commitment date on time. There are, however, occasions when due dates are not met that can be attributed to the end user, the reseller, or Ameritech Michigan. In spite of the additional coordination and scheduling required for the installation of unbundled loops, Ameritech met 95% of all of its unbundled loop orders in 1996. The measurements for Brooks Fiber for due dates not met for the months for which data was available in 1996 are:

<u>Month (1996)</u>	<u>Due Dates Not Met</u>
August	2.3%
September	0%
October	1.3%
November	6.5%
December	7.5%
1996 YTD	4.8%

8. "Misinformation"

Without any specific facts, at this time, Ameritech Michigan is unable to provide information. Ameritech Michigan will provide an analysis of specific information as soon as it is received.

9. "Refusal To Provide Unbundled Services"

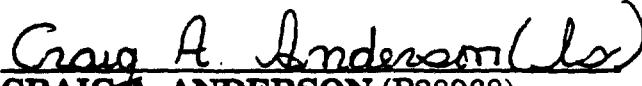
Without knowing the specific services Brooks Fiber is referring to, it is impossible to address this assertion. Ameritech provides to Brooks Fiber all products and services required by the Michigan statute, the federal Act, and the

FCC order, and is willing to provide other products and services in accordance with the parties' negotiated agreement.

There is currently a situation in which Brooks Fiber has requested assumption or cutover of customer accounts which have OPXs (off-premises extensions) on them. OPXs are currently not an unbundled service offering. Ameritech is working with Brooks Fiber to provide for these services outside the unbundled service offering in accordance with the negotiated interconnection agreement.

Respectfully submitted,

AMERITECH MICHIGAN


CRAIG A. ANDERSON (P28968)
444 Michigan Avenue, Room 1750
Detroit, Michigan 48226
(313) 223-8033

DATED: January 31, 1997

01-31-1997 19:30

P.02

Interstate Telecommunications Services
 230 North Orleans
 Flint, MI 48904
 (313) 412-1100
 (313) 412-1101

Eric Larson
 Account Manager

Ameritech.

January 31, 1997

Via Fax: 616-224-5108

Martin Gilt, Jr.
 Brooks Fiber Communications
 2855 Oak Industrial Drive, NE
 Grand Rapids, Michigan 49548

Dear Marty:

I have been provided a copy of the letter sent by Todd Stein of Brooks Fiber to Dorothy Wideman at the Michigan Public Service Commission (M.P.S.C.). I feel that the letter focuses on day-to-day operational issues that can be immediately addressed through the joint efforts of both our organizations.

A joint operations meeting has been scheduled with Brooks Fiber for February 12, 1997 in Grand Rapids. The operational issues noted by Brooks Fiber with the M.P.S.C. can be addressed at the meeting. However, the objective of the meeting is to fully address the operational concerns, questions, and issues identified by Brooks Fiber related to the ongoing interconnection activities between our companies. If there are other issues other than those identified by Brooks Fiber with the M.P.S.C., it would be beneficial to provide these to me in advance of the meeting. This will allow me to schedule the appropriate individuals for the meeting.

The meeting will also present the opportunity to review the Brooks Fiber monthly performance summary reports generated by Ameritech. Ameritech will be generating these reports on a monthly basis and would like to present them in our regular operations meetings.

In addition, the billing meeting you assisted me in coordinating will be conducted on February 13th in Grand Rapids. The objective of the meeting is to address all billing issues related to our interconnection activities. The meeting is scheduled to last the entire day to ensure sufficient time to address all issues. I would like to suggest that we conduct subsequent meetings on a monthly basis until both organizations agree that all billing processes and procedures are effectively in place and working as desired. Thanks for your efforts in pulling together the meeting.

01-31-1997 10:30

P.03

Also, please note that the interconnection agreement executed by Brooks Fiber and Ameritech includes a Dispute Escalation and Resolution section (Section 28.10). The section allows either party to escalate issues, disputes, or controversies related to the interconnection activities between Brooks Fiber and Ameritech to a higher level of management. If Brooks Fiber is dissatisfied with the efforts of Ameritech to adequately address the day-day operational requirements of Brooks Fiber or specific issues identified by Brooks Fiber, I would encourage you to use the dispute escalation remedy outlined in the interconnection agreement.

I will call you on Monday to further discuss the operations meeting. In the interim, please free to call me should you have any questions. I can be reached at 312-335-8764.

Sincerely,



cc: Craig Anderson
Ray Thomas
Neil Cox

JAN 29 '97 13:46 FR AMERITECH

312 335 7103 TO 913134969326

P.08

JAN 29 '97 12:52 FR ALDIS STAFF - LIUN

313 266 4260 TO 913123357171

P.02/15

7205341

* ACTS FILE TYPE *

/FOR:

01/29/97 12:21

OBJ: CYG00001

DATA: O (I = IN BOUND, O = OUT BOUND)

FILE TYPE: ACK1

AVAILABILITY START: 0001 STOP: 2200 (0000-2400) RETAIN: 014 DAYS

DSN-PREFIX: FVMOB.CYG00001.*.*

REMOTE RDWS: N

FILE RECFM: F (F/V/S) FILE CC: _ (/A/M)

BLKSIZE: 04800

LRECL: 01200

POST PROCESS: _____

TRANSP: N (Y, N)

NBR OF FILES SENT:

0000023

TO SEND: 0000002

** ROSTER **

TRANSMISSION TIMES

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YES	FVMOB.CYG00001.D970111.K3708404	01/11/97	10:39:17	10:39:57
YES	FVMOB.CYG00001.D970111.M3417780	01/11/97	14:04:58	14:07:10
YES	FVMOB.CYG00001.D970111.O0612836	01/11/97	14:07:10	14:07:35
YES	FVMOB.CYG00001.D970113.H1259445	01/13/97	9:41:32	9:41:59
YES	FVMOB.CYG00001.D970113.J4318195	01/13/97	11:38:54	11:39:33
YES	FVMOB.CYG00001.D970113.J5423747	01/13/97	11:39:33	11:40:01
YES	FVMOB.CYG00001.D970113.L4029631	01/13/97	13:07:58	13:08:39
YES	FVMOB.CYG00001.D970113.L5827461	01/13/97	13:08:39	13:09:35
YES	FVMOB.CYG00001.D970113.N0922830	01/13/97	13:09:35	13:10:01

DFTD0261 SELECTED FILE TYPE FOUND

DFTD0221 THIS IS THE FIRST PAGE OF FILES FOR THIS TYPE

Yes means
Brooks picked
up file

Shows date
we created
file 1-13-97

Shows date
Brooks picked
up info.

01-31-97 11:19AM FROM MICH. BELL LAW DEPT.

TO CHAR HOFFMAN

P007/010

13:40 PM AMERITECH

312 335 7103 TO 913134969326

P.09

JAN 29 '97 12:52 FR ALDIS STAFF - LION

313 255 4250 TO 913123357171

P.01/15

17206341

* APTS FILE TYPE *

/FOR:

01/29/97 12:21

DEST: CYG000001

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FILE TYPE: ACK1

AVAILABILITY START: 0001 STOP: 2200 (0000-2400) RETAIN: 014 DAYS

PREFIX: PVM0B.CYG000001.*.*

REMOTE RDWS: N

FILE RECFM: F (F/V/S) FILE CC: _ (/A/M)

BLKSIZE: 04800

LRECL: 01200

POST PROCESS:

TRANSP: N (Y, N)

NR OF FILES SENT:

0000023

TO SEND: 0000002

** ROSTER **

TRANSMISSION TIMES

STAT DATA SET NAMES

DATE START END

YES PVM0B.CYG000001.D970113.00905733

01/13/97 16:05:05 16:05:41

YES PVM0B.CYG000001.D970113.02919936

01/13/97 16:05:41 16:07:15

YES PVM0B.CYG000001.D970113.00634049

01/13/97 16:07:15 16:08:08

YES PVM0B.CYG000001.D970113.00311340

01/14/97 8:01:31 8:03:00

YES PVM0B.CYG000001.D970114.01409512

01/14/97 8:03:00 8:03:16

YES PVM0B.CYG000001.D970114.10419728

01/14/97 10:31:11 10:31:36

YES PVM0B.CYG000001.D970114.05463624

01/14/97 10:31:36 10:31:57

YES PVM0B.CYG000001.D970114.03306115

01/14/97 12:04:10 12:05:22

YES PVM0B.CYG000001.D970114.15648237

01/14/97 12:05:22 12:05:54

YES PVM0B.CYG000001.D970114.00548418

01/14/97 12:05:54 12:06:30

ADPTD0241 ADDITIONAL FILES , NOT DISPLAYED, MAY EXIST

ADPTD0200 THIS IS THE NEXT PAGE OF FILES FOR THIS TYPE

JAN 29 '97 13:47 FR AMERITECH

312 335 7103 TO 913134969326

P.18

JAN 29 '97 12:52 FR ALDIS STAFF - LION

313 266 4268 TO 91312337171

P.00/15

7206341

* APTS FILE TYPE *

/FOR:

01/29/97 12:21

DEST: CYG00001

PATH: O (I = IN BOUND, O = OUT BOUND) FILE TYPE: ACKI

AVAILABILITY START: 0001 STOP: 2200 (0000-2400) RETAIN: 014 DAYS

OSN-PREFIX: PVMOB.CYG00001.*.*

REMOTE RDWS: N

FILE RECFM: F (F/V/S) FILE CC: _ (/A/M) BLKSIZE: 06800 LRECL: 01200

POST PROCESS: TRANSP: N (Y, N) NBR OF FILES SENT: 0000023

TO SEND: 0000002

TRANSMISSION TIMES

** ROSTER **

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YES	PVMOB.CYG000001.D970114.P3025713	01/14/97	16:40:46	16:41:23
YES	PVMOB.CYG000001.D970114.Q4210520	01/14/97	17:31:13	17:32:04
YES	PVMOB.CYG000001.D970114.R3238972	01/15/97	13:37:28	13:38:01
YES	PVMOB.CYG000001.D970114.V0357783	01/15/97	13:38:02	13:38:47
YES	PVMOB.CYG000001.D970115.J4752411	01/15/97	13:38:47	13:39:12
YES	PVMOB.CYG000001.D970115.L5524490	01/15/97	13:39:12	13:39:35
YES	PVMOB.CYG000001.D970115.N3910429	01/15/97	13:39:35	13:40:03

DFTD0241 ADDITIONAL FILES ,NOT DISPLAYED, MAY EXIST

DFTD0201 THIS IS THE NEXT PAGE OF FILES FOR THIS TYPE

JAN 29 '97 13:45 FR AMERITECH

312 335 7183 TO 913134969326

P.06

Ameritech Industry Services
330 North Orleans
Floor 3
Chicago, IL 60664
Office 312.335-6764
Fax 312.335-2827

Eric Larson
Account Manager

Ameritech

January 15, 1997

Via Fax: 314-878-3211

Mr. John Jennings
Brooks Fiber Properties
425 Woods Mill Road South, Suite 300
Town and Country, Missouri 63107

Dear John:

In the course of fulfilling your request to receive Ameritech invoices in electronic format, a number of questions have been raised by our billing system analysts. A brief overview of Ameritech's electronic billing capabilities follows to provide some background relative to these questions.

Electronic billing for accounts compiled in Ameritech's Carrier Access Billing System (CABS) are available in Bill Data Tape (BDT) format. These files can be accessed through a Network Data Mover (NDM) arrangement or provided on cassette tape. Presently, Brooks Fiber has special access, end office integration, collocation, and unbundled loops billed in the CABS system.

Electronic billing for accounts billed in Ameritech's ACIS billing system are compiled in Ameritech's Electronic Billing System (AEBS) format. These files are also available via NDM, or on cassette tape. Brooks Fiber's number portability accounts are billed in the ACIS billing system.

CABS accounts set-up for electronic billing are identified by the Access Carrier Identification Code (ACNA) provided by a carrier to Ameritech. Files are created according to state and bill period based on the ACNA(s) provided by the carrier. Multiple bill periods in a state will result in multiple files being created for that state. The use of multiple ACNAs in a state will also result in the creation of multiple files for each state.

Two ACNAs exist in our billing systems for Brooks Fiber - CYG (City Signal) and BFC (Brooks Fiber Communications). CYG was the ACNA used prior to the merger of US Signal with Brooks Fiber. As noted above, the continued use of two ACNAs by Brooks Fiber will result in additional files being generated for electronic billing. We have continually noted the use of multiple ACNAs by Brooks Fiber in our ordering, provisioning and billing systems to Brooks Fiber personnel in Grand Rapids. However, to date, Brooks Fiber has not provided any direction as to whether or not one ACNA should be recognized in our systems. We will continue to recognize both ACNAs in our systems until further direction is provided by Brooks Fiber.

January 15, 1997

John Jennings

Page 2



The following questions have been raised concerning your electronic billing request and need to be addressed so that we may accurately meet your electronic billing requirements:

- Should all Brooks Fiber accounts in CABS and ACIS accounts be billed in electronic format?
- Will you be accessing these files via NDM? If so, what is your present NDM arrangement with Ameritech?
- If the files are provided via tape, where will the files be sent?
- Will Brooks Fiber continue to use two ACNAs?
- If one ACNA will be used by Brooks Fiber, should the existing Brooks Fiber services assigned to the CYG ACNA be changed to BFC?

The unbundled loop accounts you originally requested be converted to electronic billing have been flagged in our system and are ready to be converted. The final processing of these accounts can be completed once the questions raised by our billing analysts have been addressed. The conversion of the remaining Brooks Fiber accounts identified in our CABS and ACIS billing systems to electronic billing also needs to be addressed.

I will call you on Friday, January 17, 1997 to discuss these matters further. Should you need to contact me before then, please feel free to call me at 312-335-6764.

Sincerely,

A handwritten signature in dark ink, appearing to read "Eric Larsen".

Eric Larsen
Ameritech



444 Michigan Avenue
Room 1750
Detroit, MI 48226
Office: 313-223-8033
Fax: 313-496-9326

Craig A. Anderson
Counsel

January 31, 1997

Ms. Dorothy Wideman
Executive Secretary
Michigan Public Service Commission
P.O. Box 30221
Lansing, MI 48909

MICHIGAN PUBLIC SERVICE
COMMISSION
FILED

Re: MPSC Case No. U-11104.

JAN 31 1997

Dear Ms. Wideman:

COMMISSION

Enclosed for filing in the above-referenced case is an original and fifteen copies of Ameritech Michigan's Reply to MFS' Submission of Information.

Very truly yours,

Craig A. Anderson (ls)

Enclosure

cc: All Parties of Record

CAA:jkt

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter, on the Commission's own motion,
to consider Ameritech Michigan's compliance
with the competitive checklist in Section 271
of the Telecommunications Act of 1996.

Case No. U-11104
FILED
JAN 8 1 1997

AMERITECH MICHIGAN'S 66 REPLY TO MFS'
SUBMISSION OF INFORMATION

Ameritech Michigan¹ submits the following additional information in response to the late-filed comments submitted by MFS Intelenet of Michigan, Inc. (MFS), dated January 14, 1997 and received on January 16, 1997.

MFS, until submission of its late-filed comments, had not previously participated in this proceeding. Moreover, it was not until their late filing with the Commission that MFS notified Ameritech Michigan that any of their allegations constituted a breach of the parties' approved interconnection agreement or were otherwise unlawful. To the extent that MFS' filing raises business and operational issues, Ameritech Michigan is committed to work cooperatively with MFS, under the framework and procedures of our interconnection agreement and all applicable laws and regulations, to resolve each and every concern.

¹Michigan Bell Telephone Company, a Michigan corporation, is a wholly owned subsidiary of Ameritech Corporation, which owns the former Bell operating companies in the states of Michigan, Illinois, Wisconsin, Indiana, and Ohio. Michigan Bell offers telecommunications services and operates under the names "Ameritech" and "Ameritech Michigan" (used interchangeably herein), pursuant to assumed name filings with the state of Michigan.

I. "Legal Issues"

Most of the legal issues referenced by MFS were previously addressed in Ameritech Michigan's submission of information dated January 16, 1997 to which Ameritech Michigan now references in response to MFS.

MFS also makes the novel contention that Ameritech Michigan does not comply with the "separate directors" requirement of Section 272(b)(3). Even if Section 272 were properly before this Commission in this proceeding, the fact that Ameritech Michigan does not have a separate board of directors is entirely consistent with applicable corporate law. Nothing in the federal Act superseded state corporate law or would require that Ameritech Michigan institute a board of directors. Rather, the Act at most requires that if a board of directors exists, it be separate from that of Ameritech Michigan's long distance affiliate.

II. "Factual Matters"

A.

1. "Predominantly Over Its Own Facilities"

Although MFS asserts that its operations in Michigan do not meet the "predominantly over its own facilities" test in Section 271(c)(1)(A) of the federal Act, Ameritech Michigan initially notes that MFS is by no means the only competing provider of basic local exchange service in Michigan. Ameritech Michigan refers again to its January 16, 1997 filing with regard to the interpretation of the legal standard in the federal Act.

Ameritech Michigan also notes that MFS has indicated that it "provisions 222 access lines exclusively through its own facilities." However, as stated by Ameritech Michigan in its November 12, 1996 filing herein, MFS has over 2,700 end office integration trunks connecting their switching offices with

Ameritech Michigan's switching centers. One such trunk can support from 10 to 18 exchange access lines. Using conservative estimates, Ameritech Michigan has approximated that MFS' interconnection arrangements are supporting approximately 24,000 access lines. MFS also fails to mention the fact that the reciprocal exchange of local traffic between the two companies is approximately 5.5 million minutes of use per month between the two companies. While the precise number of local access lines involved in this traffic flow cannot be determined, Ameritech Michigan believes it is fair to assume it involves more than 222 access lines.

Moreover, in the following section, MFS also refers to 160 orders for unbundled high capacity facilities just within the last 6 months, which MFS claims it uses for both local exchange and private line service. Presumably, MFS also built additional high capacity facilities. MFS has not provided any specifics regarding these facilities which would provide the basis for any quantitative comparison; e.g., are any of MFS' access lines provisioned over high capacity facilities, which would permit, for example, the aggregation of numerous PBX trunks over a single access line, and correspondingly, enable the provision of multiple numbers of end user stations served by each PBX line. Similarly, comparative information is lacking with regard to the network access lines and unbundled loops being purchased by MFS from Ameritech Michigan.

MFS states it only has one switch in Michigan. Ameritech Michigan has previously indicated in prior filings that it believes MFS has two switches in Michigan; an AT&T 5ESS in Detroit and an Ericsson ACE in Southfield. MFS also acknowledges it has 128 route miles of fiber optic cable. MFS does not specify how many buildings are connected to these fiber optic facilities. Ameritech Michigan estimates that at least 100 buildings are connected to MFS' fiber facilities.

Finally, MFS' assertion that it is not a facilities-based provider is somewhat incredible in light of its other public statements. As demonstrated in the attachments to the joint affidavit of Robert G. Harris and David J. Teece, Volume 3.3, Appendix A, Part 2, of Ameritech Michigan's Section 271 application to the FCC (Docket 97-1), MFS, on its home page on the internet, touts itself as a facilities-based provider:

"At the forefront of this revolution is MFS, one of the first nationwide, **facilities based** companies to offer a complete range of communications service." (emphasis added)

In its May 29, 1996 press release announcing its offering of local service in Detroit (see attached), MFS further touted the fact that it is a facilities-based provider:

"[MFS] announced today that it is now offering a full range of local, **facilities based** telephone services over its 103-route mile fiber optic network in the greater Detroit metropolitan area.

'We're committed to delivering personalized customer service and tailored communications solutions, supported by our **reliable state-of-the-art network facilities**, to Detroit area businesses ...

MFS ... greatly expands its presence in the greater metropolitan Detroit area, with this **end-to-end service offering over MFS' network**.

This is the first agreement between a regional Bell operating company and a **facilities based competitor** which seeks to satisfy specific requirements of the Telecommunications Act of 1996." (emphasis added)

For MFS to now attempt to claim that they are not a facilities-based competitor is simply not credible.

2. "No Residential Customers"

MFS states that it currently provides local exchange service only to business customers. However, MFS' tariffs on file with the Michigan Public Service Commission, consistent with the order granting a basic local exchange license to MFS and the requirements of the Michigan Telecommunications Act, offers residential service to all customers within the exchange service territories in which MFS operates. MFS' interconnection agreement establishes rates for the purchase of unbundled loops for both business and residence customers. MFS has apparently chosen to target its marketing efforts to business customers. Ameritech Michigan anticipates that at least in the short term, many of the licensed basic local exchange providers like MFS will focus their marketing efforts on more lucrative business customers. However, the current lack of residential customers is solely a result of MFS' own marketing decisions. As discussed in Ameritech Michigan's prior submission, the federal Act does not incorporate a "metrics" test.

Whether or not MFS has chosen to do so, Brooks Fiber is currently providing service to substantial numbers of the residential customers. Moreover, all of the five competing local exchange providers in Michigan that have tariffs on file with the Commission offer residential service to customers within the territories they serve. Accordingly, 65% (or 3.2 million) of the total number of access lines served by Ameritech Michigan today have a competitive alternative of at least two providers for basic local exchange service, including both business and residence customers. Many customers have choices from among at least four providers. These are not theoretical choices offered to Michigan consumers – these are actual, filed, effective tariff service offerings of licensed competitors offering services in compliance with the mandate of Michigan law and Commission regulation. These

alternative local exchange providers offer real competitive choices for the majority (approximately two-thirds) of Ameritech Michigan's existing customer access lines.

B. "Operational And Competitive Issues"

1. "T1 Provisioning"

The T1 services which are referred to by MFS are categorized as special access services under Ameritech Michigan's existing tariffs. Ameritech Michigan is unaware of the extent to which MFS is using these services to currently provision local exchange service to end user customers. To the extent that MFS is aggregating its local access lines over high capacity T1 facilities, the extent of MFS' local exchange operations may be understated, as discussed in the preceding section.

Ameritech Michigan acknowledges there have been delays in T1 provisioning intervals during 1996, primarily in the early part of the year. The intervals that were provided to MFS were the same intervals that were provided to any customer that requested T1 service, both retail and wholesale. Ameritech is addressing delays in its T1 intervals in part by hiring over 1,000 technicians, redesigning processes, and investing in the network infrastructure. The T1 intervals are currently running in the 8 day interval range, which is considerably better than previous performance.

Part of the difficulties faced by Ameritech Michigan in 1996 in forecasting workforce and facilities requirements was the lack of accurate forecast information from customers. Despite requests, competing providers like MFS have been unwilling to provide forecast information regarding their local service offerings and volume.

It is important to point out the T1 intervals mentioned in the MFS letter relate to existing tariffed access service provisioning, and do not relate to

resale or other unbundled network elements. Network element performance has been exceptional. For example, Ameritech installed 148 loops for MFS in October without missing one due date. In November, 43 loops were installed without a miss, and in December, 192 loops were installed, again without a miss.

2. "Unbundled Loop Provisioning"

The issues raised by MFS are similar to those raised by Brooks Fiber with regard to the necessity for joint coordination of customer cutovers. Ameritech Michigan incorporates by reference its response to Brooks Fiber on this issue filed herein on January 15, 1997.

Ameritech Michigan has implemented procedures to work with providers such as MFS to accurately and promptly coordinate unbundled loop conversions. These procedures are designed to minimize any customer out of service time associated with the conversion from "bundled" exchange service to unbundled loop service.

MFS references several examples; however, MFS does not state how many of their 818 unbundled loops were installed on time. The process of converting exchange service involves manual steps and requires coordination of technicians in the central office, in the field, and in the network elements control center (NECC), in addition to coordination with MFS. Problems may occur with complex cutovers involving multiple telephone numbers and loops for the same customer. Although MFS claims that problems occurred in several instances, without specifics, it cannot be determined if these problems are unique, infrequent situations or part of an underlying process problem. Without specific details, Ameritech Michigan cannot perform the required root cause analysis to determine what may have caused the problem. Ameritech Michigan will continue to work with MFS to address these operational issues.

It should be noted that coordination of unbundled loop conversions involves both MFS and Ameritech Michigan. If MFS intends to convert an existing customer's live service, MFS must provide Ameritech Michigan with appropriate ordering information so that the disconnection of the existing service and the installation of the unbundled loop are coordinated and related on orders. In addition, since the orders in question are multi-line businesses, it is necessary for the proper loop assignments and any number portability functionality to be related. Without additional information, it is impossible to determine whether MFS is referring to a problem caused solely by Ameritech or by MFS' own failure to provide Ameritech Michigan with adequate information to properly coordinate the orders.

MFS cites an instance where an Ameritech Michigan technician was late for a cutover appointment. Again, without specifics, it is impossible for Ameritech Michigan to determine the cause of the problem.

Finally, MFS refers to a situation where a line was not properly "optioned," and that it took three weeks to reoption the line. Again, without any additional detail, it is impossible to determine whether Ameritech Michigan was solely responsible for these delays. It is possible for a competing provider to place an initial order and later wish to change something after the service is already installed. Such a situation would require a new service order to make the requested changes. The change is subject to available facilities and force/load/dispatch scheduling at the time the order is placed. These circumstances are often different than those encountered when the initial order was placed.

3. "NPA-NXX Issue"

MFS had previously mentioned sporadic problems with NXX code routing and ratings. Ameritech Michigan asked for specific numbers in an effort to investigate and resolve any problems. On January 27, 1997, MFS provided